

Rewald gets 80-year term

\$352,000 fine, restitution ordered

By Walter Wright
Advertiser Staff Writer

Ronald Rewald was sentenced yesterday to 80 years in federal prison, fined \$352,000, and ordered to pay restitution which may reach \$13 million.

U.S. District Judge Harold Fong said he did not know of a "more reprehensible set of circumstances" than Rewald's crimes, including fraud against widows, a cancer victim, "the young, the old, the infirm, and even the blind."

Rewald, 43, will be eligible for parole in 10 years under federal law. The judge recommended no parole until Rewald has served at least one third of the 80-year sentence — he would be 71 years old by then.

Rewald's attorneys said they will appeal the conviction, but the judge ordered Rewald imprisoned immediately and held without bond. Rewald was returned to Oahu Community Correctional Center to await transfer to a federal facility on the Mainland, probably in about three weeks.

Rewald was convicted of 94 counts of fraud, perjury and tax evasion after an 11-week trial that ended Oct. 21. He faced a theoretical maximum sentence of 481 years in jail for the convictions stemming from actions taken at his phony investment firm — Bishop Baldwin Rewald Dillingham & Wong.

The prosecution asked for a 100-year sentence, but appeared pleasantly surprised that Judge Fong imposed more than 50 years.

"A very appropriate sentence," said Assistant U.S. Attorney John Peyton, one of the prosecutors.

"Now," said U.S. Magistrate Joseph Gedan to courtroom observers after the sentencing, "you know what 'the book' looks like."

Fong meted out the years of the sentence in specific retribution for crimes against particular investors.

There was five years for defrauding blind Chester Owen of California, five years for cancer victim Lani Sutton of Honolulu, and five years for widow Theresa Black, whose husband and two sons had died in an airplane crash and who entrusted Rewald with the proceeds of her husband's life insurance policy.

Rewald took in \$22 million, repaid about half of it in "interest," spent \$5 million on operations, and lavished another \$5 million on himself, for sex, fancy cars, polo ponies

and a Kalaniana'ole Highway waterfront mansion.

The judge ordered Rewald to pay restitution to the 37 investors named in the criminal complaint in the case, and said he will consider the prosecution request that restitution be ordered for all investors, who lost an estimated total of \$13 million.

Defense attorney Wayne Parsons said Rewald told him no male members of his family had ever lived past 60, and that even an 18-year sentence would be a life sentence for him.

Fong said he got letters from Rewald's wife, Nancy, and daughters Pamela and Buffy, and called their plight "part of the tragedy of the Rewald saga" brought on by Rewald himself.

"You will not be there when Buffy graduates, you will not be there when your children marry, you will not be there to help the Rewald family . . . not because the government prosecuted you but because you yourself injected yourself into" criminal actions, Fong said.

Rewald slumped in his chair and dabbed at his eyes with a handkerchief while the judge spoke. But Parsons said that Rewald insists he is innocent, and that "nobody feels worse about the investors than Mr. Rewald."

Fong told Rewald he wondered if Rewald's "feeling about the losses of investors is caused by their loss or caused by the fact that you were caught."

The Rewald case received international attention when Rewald claimed that he took the money at the direction of the CIA to maintain a "cover" for intelligence operations.

The CIA did use Rewald to provide business telephone numbers and addresses which CIA personnel could use as "commercial cover." But the agency denied knowledge of Rewald's schemes, in which investors were promised 26 percent return on investments which never took place.

Defense attorney Parsons said no one really knows the true extent of the CIA's involvement with Rewald.

"Perhaps," the judge told Rewald, "there is one who knows — and that one is you. But you have chosen to remain silent."

Rewald, who did not take the stand in his own defense during the trial, told the judge yesterday that he had been advised not to say anything at sentencing either.

The judge suggested that Rewald's silence may be only a temporary strategy to make his story more saleable to a publishing company or movie producer.